



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

Memorandum

To: Director, Bureau of Indian Affairs
Director, Bureau of Land Management
Commissioner, Bureau of Reclamation
Director, U.S. Fish and Wildlife Service
Director, National Park Service
Director, Office of Environmental Policy and Compliance
Solicitor, Office of the Solicitor

From: Steve Glomb, Director *Steve Glomb* **OCT 16 2015**
Office of Restoration and Damage Assessment

Subject: Role of DOI Economists in Support of Natural Resource Damage Assessment and Restoration (NRDAR) Cases

This memorandum is intended to address the role of Department and bureau economists (hereafter, DOI economists) in supporting Department of the Interior (DOI) NRDAR cases. Damage assessment activities are conducted by DOI personnel in accordance with the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601-9675 and implementing regulations, 43 C.F.R. Part 11, the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251-1387 and the Oil Pollution Act, 33 U.S.C. §§ 2701-2762 and implementing regulations, 15 CFR Part 990, as applicable. This economic policy is an outgrowth of the NRDAR Federal Advisory Committee Final Report, released in May 2007, which included extensive discussions on the innovations and overall complexity of economic tools used in NRDAR cases.

“DOI economists” include economists from the Department’s Office of Policy Analysis, the US Fish and Wildlife Service’s (FWS) Division of Economics, and the National Park Service’s (NPS) Environmental Quality Division, as well as equivalent economists in other DOI bureaus and offices, all of whom have experience with economic methodologies identified in Section 11.83 of the NRDAR regulations implementing CERCLA.

The Office of Restoration and Damage Assessment (ORDA) recognizes that economics is a critical component in the NRDAR process, and the level of use of economic tools varies widely across NRDAR cases. For example, economic analyses supporting quick, inexpensive settlements are likely to be less involved than those for large, complex cases. However, there are general and evolving procedures that strengthen the economic analyses for natural resource damage claims. Therefore, all NRDAR cases are required to have a DOI economist review economic work and assist the case attorney and the case team with the planning, implementation,

and/or documentation of all economic analyses. This identification of a participating DOI economist should occur no later than the completion of the Preliminary Assessment Screen, prior to the finalization of the Assessment Plan, in a CERCLA case. In an OPA case, the participating DOI economist should be identified no later than the issuance of the Notice of Intent to Conduct Restoration Planning. In the assessment phase, it is recommended that a case team consult the DOI economist while planning studies and other assessment activities to improve the likelihood that a particular effort will provide data that is useful for economic analyses anticipated to be used in the case and to identify potential data needs for the economic analyses, including scaling for purposes of injury quantification and damages determination.

Additionally, as indicated in ORDA's regular calendar year memo soliciting funding applications, all case team requests for case funding are required to be reviewed by a DOI economist before being submitted. Case managers do not need to include estimates of the number of hours for economists from the Office of Policy Analysis and the US FWS' Division of Economics in case funding applications, as their support on NRDAR cases is covered by organizational funding. If economists from other bureaus (BIA, BLM, BOR, or NPS) would like to participate in a NRDAR case but lack funding, the case team may seek financial support as part of the annual case funding application. Costs incurred by economists as part of the assessment should be tracked and submitted as part of the cost documentation package for past assessment costs to be recovered. Contact information for economists who are available to consult with case teams is available on ORDA's website here: <https://www.doi.gov/restoration/organization/addresses/>

This policy does not prohibit or limit the use of a non-DOI economist to support the case team. If a non-DOI economist is supporting a NRDAR case team, a DOI economist is required to provide review of economic analyses to help ensure consistency with DOI practice, regulations and policies. When contracting for economic support is being considered, the DOI economist working with the case team should be contacted in advance to plan and review the Statement of Work and Independent Government Cost Estimate in order to determine the appropriate level of effort needed for the case.

DOI economists working with a NRDAR case team may do the following:

- **Plan.** Assist the case attorney and the case team in identifying appropriate economic tools given the nature of the case and the DOI practice, regulations and policies.
- **Implement.** Conduct economic analyses, including restoration scaling to determine the appropriate amount of damages to compensate the public for injured resources and/or their associated services, oversee economic analyses by contractors and/or provide review of other federal/state/tribal economists based on the needs of the NRDAR case.
- **Document.** Consult with the case attorney on the level and extent of documentation necessary for the economic analyses to support a damages claim.

The ORDA acknowledges the shortage of experienced NRDAR staff, including DOI economists. If bureau economic support is unavailable, ORDA will seek to provide the required support from the Office of Policy Analysis or another bureau. The DOI economists' level of involvement is expected to be commensurate with the nature of each individual NRDAR case.

Along with their roles for specific NRDAR cases, DOI economists also have roles pertaining to the Department's Restoration Program. They are expected to communicate and coordinate among themselves when supporting case teams and the Restoration Program. The Department's NRDAR Work Group may request DOI economists to participate in efforts to address specific or nation-wide economic issues and present these findings at various conferences and workshops including the ORDA's biennial National Workshop.

This policy is expected to provide benefits to NRDAR case teams, DOI economists, and the ORDA, including:

- Increased accuracy of analysis in NRDAR cases due to earlier participation by DOI economists and additional review.
- Improved consistency of analysis, damages claims, and supporting documentation from the earlier and increased coordination among DOI economists and case teams.
- Enhanced collection and dissemination of economic information across case teams and to the NRDAR Program by DOI economists.
- Improved economic tools over time through increased NRDAR case experience and coordination by DOI economists.

If you have any questions or comments, please call me at 202-208-4863. Thank you for your continued support.

cc: Lori Faeth, Deputy Assistant Secretary – Policy and International Affairs
NRDAR Executive Board
NRDAR Workgroup
Office and Bureau Economic Division POCs